

CANADIAN WESTINGHOUSE COMPANY, LIMITED

THIRTY-SECOND ANNUAL REPORT

DECEMBER 31st, 1935

DIRECTORS

PAUL J. MYLER, CHAIRMAN AND PRESIDENT

L. A. OSBORNE, VICE-PRESIDENT

HON. THOMAS AHEARN, P. C.

F. A. MERRICK, VICE-PRESIDENT

A. W. ROBERTSON

N. S. BRADEN, VICE-PRESIDENT

JOHN F. MILLER

CHARLES A. TERRY

A. L. HUMPHREY

CHARLES A. ROWAN

H. U. HART, VICE-PRESIDENT AND CHIEF ENGINEER

GEORGE R. KERR, VICE-PRESIDENT AND TREASURER

H. M. BOSTWICK, MANAGER OF SALES

C. H. O. POOK, MANAGER OF WORKS

W. E. SPRAGUE, SECRETARY

PRINCIPAL OFFICE AND WORKS, HAMILTON, ONTARIO

SALES OFFICES

MONTREAL, QUE.

TORONTO, ONT.

WINNIPEG, MAN.

HALIFAX, N.S.

OTTAWA, ONT.

CALGARY, ALTA.

VANCOUVER, B.C.

FORT WILLIAM, ONT.

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CANADIAN WESTINGHOUSE COMPANY, LIMITED

THIRTY-SECOND ANNUAL REPORT

DECEMBER 31st, 1935

The Board of Directors submits the customary certified Balance Sheet of the Company at the close of the fiscal year ended December 31st, 1935, and a statement of the Profit and Loss Account.

The statement shows the current year's earnings from all sources, including investment returns, etc., after provision made for all bad and doubtful debts, to be \$1,492,375.84. From this, deductions have been made for the payment of Taxes; for Directors' Fees, Executive Remuneration and Legal Expenses paid; for depreciation of Property and Plant, and the usual donation to the Employees Pension Fund; all as shown on the statement; leaving a net of \$860,400.84.

The improvement in general conditions noted in the Annual Report for 1934 has continued during the year just closed. Your Company has shared in the increased volume of business offering, and in consequence the total sales for all departments are approximately one-fourth greater than in the preceding year.

In the electrical apparatus field the record is very similar to that of 1934, sales being of the same general character, namely, medium and small apparatus, and the aggregate in money value but little greater. In other words, there is as yet little or no market for heavy apparatus coming under the caption of capital goods, except possibly in the mining industry.

In the merchandising field there has been an increased demand for refrigerators, radio receiving sets, ranges, washing machines and the other smaller appliances of this classification, and in this market we are moving steadily forward with greater technical success and increased sales. The launching of so many of these household commodities into general use by ourselves and other electrical manufacturers cannot but increase the total demand for electrical energy, which has already reached statistical peaks. Continuance of this trend must eventually result in requirements for additional power producing apparatus once the existing capacity is overtaken.

The sales of the Air Brake Department were more than double those of 1934, due to contracts for a modest assortment of new rolling stock (the first for several years) having been placed by both the larger railway systems, with deliveries extending well into 1936. In addition to this, the conversion program for freight car brakes alluded to in last year's report is now under way.

An event of general importance to the country and of particular import to your enterprise was the consummation of the trade treaty with the United States. Under this treaty the tariff protection afforded Canadian manufacturers of all kinds and classes of electrical apparatus is somewhat lessened, and it is hoped that any harmful result to our industry may be more than offset by the general improvement in trade in both countries, which this treaty was intended to effect. This hoped-for general improvement, however, can only affect this Company indirectly, as our activities are limited to the Dominion of Canada, with no export business.

The increase in sales during the year was necessarily accompanied by more rapid production and considerable betterment of employment figures. More Works people were employed during the year than in 1934, with a consequent larger total pay roll, and in addition the average individual compensation was somewhat increased due to more full-time employment.

The physical inventories of the Company have as usual been compiled with care and accuracy, the values used being the lower of either actual cost or present value.

The loyalty, fidelity and efficiency of the supervisory and operating forces of the Company throughout the year are recorded by the Board with due appreciation.

By order of the Board,

PAUL J. MYLER,

Chairman and President.

ABSTRACT OF FINANCIAL STATEMENT

FOR FISCAL YEAR ENDED DECEMBER 31st, 1935

GENERAL BALANCE SHEET

ASSETS:—

CASH	—	—	—	—	—	—	—	—	\$ 1,554,586.06	
INVESTMENTS, GOVERNMENT BONDS, ETC., AT COST										
(Market \$5,669,662.67)	—	—	—	—	—	—	—	—	5,398,414.03	
ACCOUNTS AND BILLS RECEIVABLE	—	—	—	—	—	—	—	—	986,335.60	
PROPERTY AND PLANT:—										
Real Estate; Buildings; Machinery; Tools and Equipment;										
Main Office and District Office Properties;										
at Cost less Depreciation	—	—	—	—	—	—	—	—	5,691,680.62	
INVENTORY OF MATERIALS AND PRODUCTS ON HAND INCLUDING										
WORK IN PROCESS; AT THE LOWER OF COST OR MARKET									3,318,856.80	
INSURANCE UNEXPIRED AND TAXES PAID IN ADVANCE	—	—	—	—	—	—	—	—	37,500.82	
PATENTS, RIGHTS AND LICENSES	—	—	—	—	—	—	—	—	1.00	
									16,987,374.93	
ADVANCE PAYMENTS ON CONTRACTS	—	—	—	—	—	—	—	—	298,174.36	\$ 16,689,200.57

LIABILITIES:—

CAPITAL STOCK, 546,000 Shares No Par Value	—	—	—	—	—	—	—	—	\$ 9,100,000.00	
CURRENT ACCOUNTS PAYABLE	—	—	—	—	—	—	—	—	612,639.22	
CONTRACTS IN PROGRESS	—	—	—	—	—	—	—	—	14,842.49	
PROVISION FOR TAXES	—	—	—	—	—	—	—	—	110,000.00	
RESERVE FOR DEPRECIATION	—	—	—	—	—	—	—	—	550,000.00	
EARNED SURPLUS	—	—	—	—	—	—	—	—	6,301,718.86	\$ 16,689,200.57

PROFIT AND LOSS ACCOUNT

BALANCE BROUGHT FORWARD JANUARY 1st, 1935	—	—	—							\$ 6,533,318.02
EARNINGS FOR YEAR ENDED DECEMBER 31st, 1935, INCLUDING										
RETURN FROM INVESTMENTS	—	—	—	—	—	—	—	—	\$ 1,492,375.84	
For Taxes	—	—	—	—	—	—	—	—	\$ 110,000.00	
Directors' Fees	—	—	—	—	—	—	—	—	13,800.00	
Executive Remuneration and Legal Expenses									63,175.00	
Written off for Depreciation	—	—	—	—	—	—	—	—	410,000.00	
To Employees Pension Fund	—	—	—	—	—	—	—	—	35,000.00	631,975.00
NET EARNINGS	—	—	—	—	—	—	—	—	—	860,400.84
										7,393,718.86
LESS DIVIDENDS, 1935	—	—	—	—	—	—	—	—	—	1,092,000.00
BALANCE CARRIED FORWARD JANUARY 1st, 1936	—	—	—	—	—	—	—	—	—	\$ 6,301,718.86

For the Directors

F. A. MERRICK

N. S. BRADEN

Vice-Presidents,

AUDITOR'S CERTIFICATE

I certify that I have audited the books and accounts of the Company for the year ended December 31st, 1935, have verified the cash and securities belonging to the Company and have been furnished with vouchers for all expenditures. I have obtained all necessary information and explanations, and the above statement, in my opinion, sets forth correctly the condition of the Company's affairs at the above date, according to the best of my information and the explanations given me, and agrees with the books of the Company.

Hamilton, Canada, February 12th, 1936

C. S. SCOTT, F.C.A.
of C. S. Scott & Co., C.A.
Auditor.

